

Annual Meeting C. P. R.

At the annual meeting of the Canadian Pacific, held at Montreal on May 10, 311,600 shares were represented, and the proceedings were unanimous throughout. The reports show gross earnings for the year 1892, \$21,409,352, and the expenses, \$12,989,004; net earnings, \$8,420,348; interest earned on deposits on loans, \$203,603; fixed charges, \$6,102,018. Surplus for year after payment of dividends, \$2,021,932, and accumulated surplus, \$6,923,531. Increase in profits from working, including interest earned, \$614,291. Land sales for year, 392,407 acres, for \$1,355,618, against 97,240 acres for \$414,945 last year. Net town site sales were \$344,552. The directors say that the increase in acreage ready for crop is over 30 per cent in the Northwest, and gives promise for large traffic after next harvest. The past winter has been the most difficult within the experience of the company, and the results of working have consequently compared at a disadvantage. Among other improvements reported are 551 wooden bridges replaced with permanent work during the year. The directors recommended further improvements and additional rolling stock. They say: "Improvements and permanent additions to your property of this and similar character are necessary to the healthy and continuous development and retention of traffic, and expenditures for these purposes will not cease so long as the company continues to prosper. These expenditures must be made either from the profits or from new capital. The directors hold that the annual profits, after providing for a reasonable reserve fund, should be divided among the shareholders, and that additions and improvements to the property should be provided for by new capital. The additions and improvements made for a number of years back have been provided for by the issue of 4 per cent debenture stock, the additions including the steamships in the China line. Debenture stock has also been issued to take up interest bearing obligations of the company as opportunity has offered and when the exchange could be made to advantage. Your directors, however, are of the opinion that the time has arrived when these outlays may be advantageously provided for otherwise than by the issue of 4 per cent debentures stock, and in order that a proper relation may be maintained between the obligations of the company and its capital stock, and in view of the high credit of the company, which your directors feel sure will be strengthened year by year, they procured the passing of an act by the Parliament of Canada at its last session, restoring to the company the powers of its original charter respecting the creation of preference stock. This act permits the creation of such preference stock as may be authorized by a two thirds vote of the shareholders at any special meeting called for the purpose, and limits the total issue to one half the amount of the ordinary shares at any time. The act also provides that any new stock may be issued in sterling amounts, and that the outstanding ordinary stock may be converted into sterling stock at the holder's request, every £20 of sterling stock, whether ordinary or preference, to have the same voting power as a share of £100 of ordinary stock. Your directors now recommend that preference stock be issued for such purposes requiring new capital as may be from time to time approved by the shareholders. The directors wish especially to call your attention to the following items in the balance sheet: Station balances, accounts receivable, miscellaneous securities, and advances, \$5,908,887; temporary loans on security, \$3,334,425; cash, \$5,200,129; total current assets, \$14,533,441. Current liabilities including vouchers and pay roll, \$2,794,299; interest and rentals accrued, \$1,788,213; supplementary dividend due in February, \$650,000; total current liabilities, \$5,232,512. The current accounts payable being more than offset by station balances and current accounts re-

ceivable, it will be seen that over and above accrued interest and rentals, and the February supplementary dividends, practically the entire accumulated surplus earnings of the company as shown in the accounts (\$6,923,531) is in cash and temporary loans on security and bearing interest. While a portion of the surplus can frequently be used temporarily to great advantage and profit in carrying operations of the company, the directors, recognizing the desirability of keeping a large portion of the surplus earnings at all times in cash, and having made favorable arrangements, as regards interest, have decided that \$4,000,000 be placed on special deposit with the company's bankers to meet any possible deficiency at any time in main lining dividends at 5 per cent on the ordinary stock." The report concludes as follows: "With the payment of the dividend in August next the dividend fund deposited with the Dominion Government in 1893 will be exhausted. This event has been looked forward to by many with anxiety, but the directors are happy and proud to say that the termination of the guaranty which was based on this deposit finds the railway earning more than five per cent on its ordinary stock, and with an available surplus amounting to two years dividends at five per cent to fall back upon in case of need." Resolutions were passed authorizing the expenditure of capital for the following purposes: \$1,900,000 permanent bridges and improvements not chargeable to operating expenses; \$750,000 grain elevators and additional terminal facilities; \$1,250,000 additional rolling stock; \$400,000 acquiring bonds of Montreal and Ottawa railway, interest on which the company guarantees by way of rental; \$3,700,000 construction of the extension of the Souris branch from the international boundary to Pasqua, 162 miles; Temiscamingue railway 50 miles, Revelstoke branch 23 miles, and a section of the Eganville branch. Aggregate amount of these capital expenditures, \$8,000,000. At a special meeting the issue of preference stock was authorized for any purpose requiring new capital previously authorized by shareholders, such preference stock limited to 4 per cent dividends non accumulative, and to be issued in sterling amount, each £20 having the same voting power as one share of \$100 ordinary stock. The issue of preference stock the present year under this authority is limited to \$3,000,000, the amount of capital expenditure previously approved. At a subsequent meeting of the board the former officers were re elected.

Northern Pacific for Vancouver.

Vancouver, the western terminus of the Canadian Pacific Railway, since the completion of that road to the tidewater of the Pacific in 1896, is shortly to become the extreme northwestern point reached by the Northern Pacific system. The Northern Pacific acquired by the purchase of the Seattle, Lake Shore & Eastern, two years ago, a line running north from Seattle to the town of Sumas, on the British Columbia boundary. Practically this road has one end in the air, for although the C.P.R. has a branch from Mission, on the Fraser river, down to Sumas, no traffic is exchanged or connection made between the two roads, the Canadian road sending its business on to Seattle by way of the Bellingham Bay road to New Whatcom and thence over the shore line of the Great Northern. The people of Vancouver were not slow to see the advantage that would accrue to their city if they could secure the building of a line to Sumas, only fifty seven miles, and its operation by the Northern Pacific. They organized the Burrard Inlet & Fraser Valley Railroad Company, obtained from the Northern Pacific management an agreement to operate the line when built and made a bargain with a strong firm of American contractors to build the road on condition that the city of Vancouver would subsidize it with bonds to the amount of \$300,000. The question of the subsidy was duly agitated and carried at an election by a handsome majority. Then legal points were made against

the technical forms of the election and the city council adopted a new "by-law"—the Canadian term for ordinance—and submitted it for ratification at a second election, with the result of a considerably increased majority in its favor. In fact nearly the entire negative vote came from people connected with the Canadian Pacific road, either as employees or in business relations. As the C.P.R. is a very heavy property owner in Vancouver, owning business blocks and lots as well as wharves, tracks, shops and stations, it very naturally opposed a measure which would impose a tax upon it to bring in a rival road.

A question was again raised as to the validity of the new by law, not touching the right of the city to issue the proposed bonds, but relating to legal technicalities, and the supreme court of the province decided against the city, suggesting, however, that a remedy might be found by going to the legislature. The provincial parliament was in session in Victoria, and application was made by the city council for an amendment to the charter which would validate the by-law providing for the issue of the bonds. After a sharp contest the bill was passed by a very large majority. This result was regarded by the Vancouver people as a great victory for their claim of right to manage their own affairs. They wanted the new railroad, and believed its construction would be of very great value in promoting the growth of their city, and they resented the efforts to defeat their purpose as an unwarranted interference with their rights of municipal self-government.

The original survey for the new railroad took it across the Fraser river at a point about three miles above New Westminster and provided for a spur into that city. At the proposed point of crossing the river is comparatively narrow and is divided into two channels by a small island. The New Westminster people wanted the road to cross so as to come directly into the city, but the Fraser is seventy-five feet deep and over half a mile wide at that place. The railroad company proposed to make the desired change in the route if the extra cost of the bridge were provided for and offered to build a double-deck bridge so that teams could cross on the upper floor. New Westminster accepted this proposition and obtained from the provincial government an endorsement of interest on bonds to the amount of \$250,000 in aid of the big bridge, which, next to the one across the St. Lawrence at Montreal, will be the most important in Canada. The Fraser is a mighty stream, and among the Pacific coast rivers is surpassed only by the Yukon and the Columbia in the volume of water it carries to the ocean. The Columbia, by the way, has not yet been bridged below the mouth of its great affluent, the Snake. Under this arrangement the new railroad will run through New Westminster on its way to Vancouver, and will be in an excellent position in both cities for obtaining a good share of passenger and freight traffic. This northern extension of the N. P.'s north and south line on the Pacific coast will make that line about 350 miles long, from Portland to Vancouver. Passengers leaving Vancouver in the forenoon will reach Tacoma the same evening and Portland early the next morning. I do not anticipate much freight movement across the boundary, for the tariff laws of the two countries are a serious obstacle to commerce. Nevertheless, a good deal of Portland and Tacoma flour is shipped into British Columbia, and also a large quantity of California fruit. The new line will get much of this traffic, and will also be able to compete with the Canadian Pacific in the carrying of cedar and fir lumber and cedar shingles to Winnipeg and other points in Manitoba. Both Vancouver and New Westminster are largely engaged in the lumber industry. When reciprocity comes, as it must before many years, all railroads between the United States and Canada will have a largely increased business.—E. V. Smalley, in *Northwest Magazine*.